

NATIONAL RECOVERY ADMINISTRATION

PROPOSED CODE OF FAIR COMPETITION

FOR THE

DOMESTIC WATER HEATER
INDUSTRY

AS SUBMITTED ON AUGUST 31, 1933



The Code for the Domestic Water Heater Industry
in its present form merely reflects the proposal of the above-mentioned
industry, and *none of the provisions contained therein are*
to be regarded as having received the approval of
the National Recovery Administration
as applying to this industry

UNITED STATES
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SUBMITTED BY

DOMESTIC WATER HEATER MANUFACTURERS' ASSOCIATION
(II)

PROPOSED CODE OF FAIR COMPETITION FOR THE DOMESTIC WATER HEATER INDUSTRY

ARTICLE I—PURPOSE

The purpose of this Code is to definitely outline the rules of trade practice for the Domestic Water Heater Industry for full compliance with the Industrial Recovery Act and realization of its objects.

This Code is designed to improve the conditions of labor by reduction of hours and establishment of minimum wage levels which shall maintain the highest practicable standard of living; to restore income to this industry which shall assure its profitable continuance and progress in the public interest; to provide as fully as possible for self-government of this industry in the interests of its wage earners, its owners and the general public, with revisions of wages and hours of labor as needed to reflect currently the adjustment to variations in the cost of living.

ARTICLE II—PARTICIPATION

Participation in this Code, and any subsequent revision of or addition to the Code, shall be extended to any person, partnership, or corporation manufacturing Domestic Water Heaters who accepts his share of the cost and responsibility, as well as the benefit, of such participation by becoming a member of the Domestic Water Heater Manufacturers' Association. No initiation or entrance fees shall be charged, but there shall be dues assessed equitably and prorated among the members upon the basis of their volume of business, to produce an amount sufficient to finance the activities of the association in administering the Industrial Recovery Act and all duties incident thereto.

ARTICLE III—DIVISIONS OF THE INDUSTRY

A. Powers.—For the purpose of the administration of this code the Domestic Water Heater Industry shall be divided into three general divisions, namely: Tank Water Heaters, Automatic Water Heaters, and Indirect Water Heaters. These may be subdivided to represent different types of heaters within each general division. Each division and each subdivision shall designate or establish its own administrative agency or agencies. Each such division and subdivision shall be independent and self-governing in respect of all conditions and problems relating exclusively to the said group. Proposals in respect of matters affecting more than one division may be initiated by any division, and shall be submitted for consideration to the Emergency National Committee of the Domestic Water Heater Industry, hereinafter described, and its determination shall

be binding upon said division and all other divisions affected thereby.

B. Executive Committee.—Each of the above divisions, and any others which may subsequently be formed within this industry, shall set up an Executive Committee for the purpose of administering the provisions of the Code, to secure adherence thereto, to hear and adjust complaints, to consider proposals for amendments thereof and exceptions thereto, and otherwise to carry out within the division the purposes of the National Industrial Recovery Act as set forth in this Code.

If a division or subdivision does not concur in the submittal of this Code; or if, at any time thereafter, a division fails to perform its obligations as provided hereunder, the Emergency National Committee of the industry, hereinafter described, is hereby empowered to adopt a Code for the dissenting or evading division and may provide for the administration of such Code with full authority.

ARTICLE IV—DIVISION REGULATIONS

A. Labor Code.—Each division of the industry, and any others which may subsequently be formed, shall promptly undertake the formulation of a labor code.

The labor code established by the said division shall, upon approval of the Emergency National Committee of the Domestic Water Heater Industry, be binding upon all producers in such division. The labor code of each division shall contain the following provisions:

(a) Employees in this industry shall have the right to organize and bargain collectively through representatives of their own choosing, and shall be free from the interference, restraint, or coercion of employers of labor, or their agents, in the designation of such representatives or in self-organizations or in other concerted activities for the purpose of collective bargaining or other mutual aid or protection.

(b) No employee in this industry, and no one seeking employment therein, shall be required as a condition of employment to join any company union or to refrain from joining a labor organization of his own choosing.

(c) Employers of labor in this industry agree to comply with the maximum hours of labor, minimum rates of pay, and other working conditions approved or prescribed by the President.

(d) No individual in the domestic water heater industry will be employed in excess of forty hours in any one week except as exempt in the Act.

(e) The minimum rate of pay for labor in the domestic water heater industry shall be 40c per hour.

(f) No person under 16 years of age may be employed in the industry.

ARTICLE V—EMERGENCY NATIONAL COMMITTEE

A. Representation.—There shall be an Emergency National Committee of the Domestic Water Heater Industry to consist of a representative, or representatives, of each division, selected by the said

division, representatives of the industry at large to be selected by divisional members, and representatives of any subdivisions which may be entitled to representation.

B. Powers.—This Emergency National Committee shall be the general planning and coordinating agency for the industry. Its members selected by established divisions shall be empowered by the said divisions to act for them conclusively in respect to all matters before the committee for consideration and within its jurisdiction. The committee shall have powers and duties as provided herein, and in addition thereto it shall

(a) from time to time require such reports from divisions as in its judgment may be necessary to advise it adequately of the administration and enforcement of the provisions of this Code;

(b) upon complaint of interested parties, or upon its own initiative, make such inquiry and investigation into the operation of the Code as may be necessary; and

(c) makes rules and regulations necessary for the administration and enforcement of this code. The Committee may delegate any of its authority to the National Administrator of the industry hereinafter provided.

ARTICLE VI.—INDUSTRY REGULATIONS

A. Marketing Codes.—The Emergency National Committee may establish a Marketing Code with provisions with respect to:

(a) group selling;

(b) classification of outlets or purchasers and recognition of standard and economically justifiable price differentials among them;

(c) adoption of uniform grading of products;

(d) simplification and standardization of products;

(e) cooperative advertising for the industry;

(f) collection and interchange of credit information;

(g) cooperative administration of insolvent debtors;

(h) and/or other aspects of marketing.

B. Regulation of Trade Practice.—(a) To accomplish the purpose contemplated by this Act, all members of the associations and all subscribers to this code agree that it shall be an unfair method of competition to sell below a reasonable cost arrived at by formula established by the association.

(b) It shall be a violation of this code for any manufacturer or assembler of domestic water heaters to give rebates, refunds, special allowances, unearned discounts, or special services of any kind, directly or indirectly, in connection with the sale of their products.

(c) Every subscriber to this code shall publish a sheet or sheets quoting prices and terms of sale on all of his saleable products, and it shall be an unfair method of competition to discriminate in their application between different purchasers of the same kind and class of product.

ARTICLE VII.—STATISTICS

In order to provide data necessary for the administration of the National Industrial Recovery Act, the members of the Domestic Water Heater Industry shall furnish, and the Emergency National

Committee shall gather, statistical information from all the members of the industry.

ARTICLE VIII—NATIONAL ADMINISTRATOR OF THE INDUSTRY

The Emergency National Committee of the Domestic Water Heater Industry shall appoint from its own membership a National Administrator of the industry who shall exercise such authority as may have been delegated to him by the said Emergency National Committee.

All communications and conferences of this industry with the President or with his agents concerning the approval or amendment of this Code or of any of its provisions, or any matters relating thereto, shall be through the said National Administrator of the industry. The National Administrator of the industry shall serve as an executive agent for the Emergency National Committee of this industry, and shall be charged with the enforcement of the provisions of this Code and with the duties, through agents or otherwise, of hearing and adjusting complaints, considering proposals for amendments and making recommendations thereon, approving recommendations for exceptions to the provisions of this Code, and otherwise administering its provisions. Any division or any adherent to the provisions of this Code or subject to its terms shall have the right of appeal to the Emergency National Committee from decisions of the National Administrator of the industry, and the decision of the said Emergency National Committee on said appeal shall be final.

The function of this Administrator shall be the general planning and coordinating for the Domestic Water Heater Industry.

ARTICLE IX—GENERAL

1. No provision in this Code shall be interpreted or applied in such a manner as to:

- a. Promote monopolies,
- b. Permit or encourage unfair competition,
- c. Eliminate or discriminate against small enterprises.

2. Every manufacturer of Domestic Water Heaters, whether or not he is a member of this trade association or otherwise a subscriber to this code, shall be subject to its regulations as finally approved by federal authority.

3. This Code or any of its provisions may be cancelled or modified and any approved rule issued thereunder shall be ineffective to the extent necessary to conform to any action by the President under section 9 (b) of the National Industrial Recovery Act.

4. Amendment of this Code may be proposed by any Established Division or Subdivision to the Emergency National Committee or may be initiated by it, and when approved by the President shall be effective.

5. Violation by any producer of Domestic Water Heaters of any provisions of this Code, or of any approved rule thereunder, is an unfair method of competition.

6. In order to avoid undue delay in making effective throughout the industry this Code of Fair Competition, the following provisions are adopted, and other provisions of the Code in conflict therewith, are suspended until such time as the Emergency National Committee shall determine that the purposes of the Article have been accomplished:

a. Each Established Division or Subdivision shall submit as promptly as possible to the Emergency National Committee, a complete Division code in conformity with the general provisions of this Code. Such Divisional Code, if found substantially to promote the purposes of the National Code, shall be accepted provisionally by the Emergency National Committee and its immediate enforcement authorized. The Emergency National Committee shall thereupon proceed as rapidly as practicable to make such adjustments of and coordination between the provisions in respect to hours, wages, production, and costs of several divisional codes as may be necessary to bring them into conformity with the provisions of the National Code by:

(1) Consultation and negotiation between the Divisions affected.

(2) By its own findings after full consideration of all factors involved.

b. If any Division fails to submit within a reasonable time code provisions as provided in subsection (a) of this Article, and if in the judgment of the Emergency National Committee such failure is unduly delaying the effective operation of this Code, the said Committee is authorized to act as a Divisional agency for said Division and to submit on its behalf the necessary code provisions which upon approval by the President shall be effective until the said Division shall have submitted satisfactory code provisions.

7. This Code shall be in effect beginning ten days after its approval by the President.

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